

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, FEBRUARY 21, 2019

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COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

v.

CASE NO. INS-2018-00254

ANTHEM HEALTH PLANS OF VIRGINIA, INC.,
ANTHEM INSURANCE COMPANIES, INC.
Defendants

SETTLEMENT ORDER

Based on a market analysis inquiry conducted by the Bureau of Insurance ("Bureau"), it is alleged that Anthem Health Plans of Virginia, Inc. and Anthem Insurance Companies, Inc. (collectively, the "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-502 (1) of the Code of Virginia ("Code") by misrepresenting the benefits, advantages, conditions or terms of any insurance policy; § 38.2-503 of the Code by making, publishing, disseminating, circulating, or placing before the public an advertisement which is untrue, deceptive or misleading; 14 VAC 5-90-40 of the Commission's Rules Governing Advertisement of Accident and Sickness Insurance ("Rules"), 14 VAC 5-90-10, *et seq.*, by failing to set out required information conspicuously and in close conjunction with the statements to which the information relates or under appropriate captions of such prominence that it shall not be minimized, rendered obscure or presented in an ambiguous fashion or intermingled with the context of the advertisement so as to be confusing or misleading; 14 VAC 5-90-50 (A) of the Rules by failing to have the format and content of an advertisement of an accident or sickness insurance policy sufficiently complete and clear to avoid deception or the capacity or tendency to mislead or deceive; 14 VAC 5-90-50 (B) of the

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Rules by using advertisements that were untruthful and misleading in fact or in implication; 14 VAC 5-90-60 (A) (2) of the Rules by using words or phrases in a manner that exaggerates a benefit beyond the terms of the policy; 14 VAC 5-90-60 (C) (2) of the Rules by using the phrase "no medical examination required" when the policy does not cover losses resulting from pre-existing conditions; 14 VAC 5-90-90 (C) of the Rules by failing to identify the source of any statistics used in an advertisement; 14 VAC 5-90-150 (A) (1) of the Rules by using advertisements that contain phrases describing a "time-limited solicitation period" as "special," "limited," or similar words or phrases when the insurer uses the "time-limited solicitation periods" as the usual method of marketing accident and sickness insurance; and 14 VAC-170-180 (B) (2) of the Commission's Rules Governing Minimum Standards for Medicare Supplement Policies, 14 VAC 5-170-10, *et seq.*, by employing any method of marketing having the effect of or tending to induce the purchase of insurance through force, fright, threat, whether explicit or implied, or undue pressure to purchase or recommend the purchase of insurance.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendant has been advised of the right to a hearing in this matter whereupon the Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan outlined in Bureau correspondence dated December 12, 2018, has tendered to Virginia the sum

of Fifty-six Thousand Seven Hundred Fifty Dollars (\$56,750) and has waived the right to a hearing.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein is hereby accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to:
Kimberly J. Stevens, Regulatory Compliance Director - Virginia, Anthem Health Plans of Virginia, Inc., 2015 Staples Mill Road, Richmond, Virginia 23230; and a copy shall be delivered to the Commission's Office of General Counsel and the Bureau of Insurance in care of Deputy Commissioner Julie S. Blauvelt.